

**2008 Accomplishments**  
**Department of Labor & Economic Growth**

**Office of Communications**

- Created and produced 6 episodes of a brand new cable TV show, "House Michigan", for MSHDA
- Created and produced a new cable show "Insurance 101" with Butch Hollowell.
- Produced the first online podcasts for the Unemployment Insurance Agency (UIA)
- Converted the Michigan Employer Advisor into an electronic publication, saving the UIA around \$9,800 in printing costs per quarter
- Issued approximately 500 press releases/advisories
- Handled in excess of 2749 phone/email inquiries
- DLEG, via the 28 bureaus/offices, annually processes about 46,000 Freedom of Information Act (FOIA) requests; and about 2,500 subpoenas. Upon the 2003 merger of the Michigan Department of Career Development and the Michigan Department of Consumer and Industry Services; via Executive Order 2003-18, to create DLEG, there was no official, standardized set of policies and/or instructions regarding the processing of FOIA request and subpoenas. After much collaboration with in-house staff and the Office of Attorney General, the FOIA office, via the DLEG Director, on February 28, 2008, issued the Freedom of Information Act Policy/Procedure/Guidelines manual. This manual represents the official DLEG FOIA policy and provides standardized guidelines to process FOIA requests and subpoenas. This manual is located on DLEG's website at: <http://www.michigan.gov/dleg/0,1607,7-154--51740--,00.html> .

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**REGULATORY:**

**Bureau of Commercial Services**

- Assisted the Attorney General in bringing criminal charges against a cemetery owner.
- Assisted the Iron County Prosecutor in bringing criminal charges against a Prepaid Funeral & Cemetery Sales Registrant.
- Assisted the Attorney General in obtaining criminal convictions related to cemetery trust fund fraud case.
- Audit Section continues to work with the Conservator and Attorney General in tracing approximately \$75 million in missing cemetery trust funds.
- Expanded the information captured in the complaint database to comply with Federal requirements pertaining to Real Estate Appraisers.
- The Administrative Services Division imaged 386,125 records that are now available for staff to view on-line.
- The Homeowner Construction Lien Recovery Fund received a record high 494 new claims worth \$24,899,465.87 and processed 98 payouts totaling \$1,235,953.00.
- An electronic import of real estate continuing education hours in the licensing database was developed and implemented.
- Expanded online services for real estate salespersons and brokers by offering online license applications and address changes.
- 95% of corporation, limited liability company and limited partnership documents were reviewed within 24 hours or less and most documents were reviewed within 4 hours. Customers requested 24 hour, same day, 2 hour and 1 hour expedited service to meet their needs.
- Online filing of domestic corporation annual reports and domestic and foreign LLC annual statements and reports has nearly doubled since last year.
- The rewrite team worked diligently to stay on track and complete tasks for development of a new database and to expand online services for Corporation Division customers. Expected completion date for rewrite project is October 2009. Substantially all of the online services needed for Corporation Division customers will be available after the rewrite.
- Business Services handled over 190,000 more phone calls and provided the information needed at the initial point of contact over 66% of the calls.
- Within 4 business days after the Michigan Supreme Court decision in Miller v Allstate the Corporation Division posted updated information on its website notifying businesses that the Division was resuming its longstanding practice of requiring only corporations that provide services in a "learned profession" to be owned by licensed persons and to organize as professional corporations.

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- More information on renewal/restoration requirements was added to the website, including statutory links, general fee information, instructions on how to look up the record to determine what reports/statements are not filed, and an email address for the customers who want to obtain the necessary reports/statements required to renew or restore.
- Corporation Division received 2008 Merit Award from the International Association of Commercial Administrators for development and implementation of a paperless correspondence file for examiner correspondence.
- Developed and implemented the Residential Builders and Maintenance & Alteration Contractors Pre-licensure Course Approval Program.
- Extensive revisions to the Hearing Aid Dealers Salesperson Theory and Practical examinations and the Hearing Aid Dealer Theory examination were completed.
- Approximately 12,826 new applications were processed as the result of an amendment to the builders licensing statute.
- Staff processed 470 real estate appraiser upgrade applications to qualify for licensure based on federal statutory education and experience requirements that became effective Jan. 1, 2008.

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**Bureau of Fire Services**

- Monthly newsletter to stakeholders
- More online training programs for fire fighters
- Rule updates in progress for the following rule sets:
  - Healthcare – Has already had a public hearing and is moving forward.
  - Adult Foster – Has already had a public hearing and is moving forward.
  - Certified Fire Inspectors – Ready for public hearing.
  - Ad Hoc Committee formed to review Fire Prevention Rules.
- Monthly Fire Safety Public Service Announcements

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**Bureau of Construction Codes**

- Updated our Plan Review system to allow sending confirmation and plan review letters electronically for faster turn-around time.
- Increased the number of automated on-line forms making BCC services more accessible to our customers.
- Enhanced the BCC Permits' Plus system to include Elevator Licensing. This allows the state's 877 elevator journeypersons the ability to annually renew their license on-line.
- Implemented an on-line search for Manufactured Home Affidavits of Affixture.
- Renamed our bureau newsletter to CodeWorks! This new name represents the fact that construction codes work. It disseminates a wide range of new and upcoming construction information electronically to over 60,000 individuals with construction interests.
- Implemented a New Inspector Training Check-off List to assure a consistent level of service to BCC's customers across the state.
- Promulgated updated construction code rules for elevator fees, subdivision, building, mechanical, plumbing, residential, rehabilitation, and manufactured housing.

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**Liquor Control Commission**

- Developed and implemented a process to make liquor licensee annual spirit purchases available on the internet. This information is now more easily and quickly available to the licensees and the general public. This information was previously available only through a phone call or a written request and then MLCC staff research.
- Implemented several improvements to the MLCC's E-Quote (electronic liquor quotation) system. These improvements have made E-Quote more efficient and user friendly for the liquor suppliers. Some of these improvements are as follows: the system now has the ability to send product approval/denial e-mails to more than one supplier e-mail address; the system now will save a picture of the value added packages, attached to the liquor code number; and the system can now create an e-mail list of all supplier contacts to use for mass e-mails of MLCC directives.
- Increased controlled buy contacts with licensed retailers by 43% over 2007 levels which resulted in an increase of 103 violations or a 53% increase in 2008 to date. The overall violation rate for sales to minors was relatively stable at 16% for 2008 compared to 15% for the 2007 calendar year. While still disturbing, the percentage of sales licensees made to minors after viewing the driver's license of our minor decoy decreased to 55% in 2008, down from 65% for the 2007 calendar year.
- The Enforcement Division implemented streamlining procedures involving its financial investigations as well as licensing investigations involving add spaces, drop spaces, transfer locations of existing businesses and a variety of permit investigations, allowing for a more efficient licensing investigation process. Upon the upcoming reorganization of the Licensing Division, the Enforcement Division will coordinate additional streamlining procedures with the Licensing Division to improve efficiency and effectiveness.
- The Enforcement Division became an integral part of a gaming task force that was formed in 2008 along with the Gaming Control Board, Michigan State Police, Bureau of State Lottery, Department of Treasury and the Office of the Attorney General to combat illegal gaming activities in Michigan, including illegal video gambling. To date, a total of 28 licensed establishments have been raided by joint operations with Michigan State Police, other law enforcement agencies and Liquor Control Enforcement staff. Criminal prosecutions are proceeding to be followed by administrative action against liquor license through the Commission's violation process.

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#### **Metro Authority**

- The METRO Authority had been working with the state legislature, telecommunication providers, the Michigan Municipal League, and the Michigan Township Association since 2004 to allow 39 more of the state's 1,778 municipalities to become eligible (opt-in) to receive METRO Act funds. This effort required a concerted effort to “educate” all parties that the METRO Act needed to be subject to a single issue amendment. In June 2008, the legislature enacted PA 130 amending Section 13 of PA 48 of 2002 (METRO Act) which allowed 19 more municipalities to receive METRO Act funding of about \$76,000 per year.
- The METRO Authority, via the assistance of MDIT, completed its 3 year Data Base Conversion project. This project now provides the following capabilities to the Authority, providers, and municipalities, with other applications to be added later:
  - Data look up/edit capabilities for contact information, footages, invoices, payments, etc.
  - Linear footage and contact information available on the DLEG website for municipalities to review their personal data.
  - Municipal payment history.
  - Provider invoice history.
  - Calculate and print invoices.
  - Calculate city and village payments in-house (currently relying on MDOT).
  - Calculate and print municipal payment reports (payments are made on direct vouchers in MAIN).
  - Easier update of linear footages by municipalities/providers/Authority.
  - Print status report for invoice payments.
  - Archival information.
  - Possible tie-ins with the Broadband Authority and/or MPSC.
  - Create listing of each telecommunication provider's linear footage in every municipality/county to put on Authority's website. Currently, the vast majority of municipalities do not have this information.
  - Create database of counties that process right-of-way permit applications for townships.
  - Searchable database for municipal officials to determine which providers have reported linear footages in their municipalities and the amounts they have reported.
  - Allow entrepreneurs to determine the telecommunication infrastructure in any Michigan municipality they may wish to start/expand economic development activities.
- Route map are required by the METRO Act to show the location of telecommunication providers existing and proposed facilities in public rights-of-way. Since the enactment of the METRO Act in 2003, there has

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been a dispute between municipalities and telecom providers regarding the minimum content requirements of route maps as prescribed by the Act. In 2006, the METRO Authority established the Route Map Work Group with equal representation of telecom providers and municipalities. This work group met for six months with no concrete resolution of the conflicts. However, after revisiting the issues in April of 2008, the METRO Authority, on June 12, 2008, issued "Route Map Minimum Requirement Instructions/Guidelines" based on the collaborative consensus of the work group.



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**Public Service Commission**

- Issued total grants of more than \$77 million from the Low Income and Energy Efficiency Fund, consisting of \$55 million for energy assistance, \$12.5 million for energy efficiency, and \$10 million for low-income energy efficiency.
- Approved a settlement agreement for the Midland Cogeneration Venture Limited Partnership that saves Michigan electric customers over \$40 million per year.
- Launched Video Franchising Webpage to promote and implement uniform video franchise agreements throughout the state.
- Initiated pilot program to integrate plug-in hybrid electric vehicles into the electric grid, positioning Michigan to become a technology and jobs leader.
- Commission energy efficiency grant led to Michigan being one of Top 5 “Change a Light” Programs in the nation.
- Adopted new electric and natural gas billing rules for business customers that reduce deposits and establish a complaint resolution process.

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**Office of Financial & Insurance Regulation**

- Banking
  - **Bank Directors Training** - OFIR, along with the Michigan Association of Community Bankers held the inaugural "Michigan Bank Directors' College".
  - **CSBS Reaccreditation** – OFIR successfully completed the rigorous reaccreditation process of the Conference of State Bank Supervisors (CSBS). CSBS is the national association of the state officials responsible for chartering, regulating and supervising the nation's 6,107 state-chartered commercial and savings banks.
  - **Main Street Bank** – OFIR helped facilitate the acquisition all of the deposits of Main Street Bank in Northville by Monroe Bank and Trust. No depositor lost a penny in the transaction. Main Street Bank was appointed receiver by Ingham County Circuit Court. All deposit customers of Main Street became depositors of Monroe Bank and Trust immediately and had uninterrupted access to their funds.
- Credit Unions
  - **Credit Union Directors Training** – OFIR, along National Association of State Credit Union Supervisors (NASCUS) held a Credit Union Directors College.
- Insurance
  - **System for Electronic Rate and Form Filing (SERFF)** – OFIR announced that beginning April 1, 2009, all insurance rates, rules, and policy forms that are required to be filed must be electronically submitted to OFIR via the System for Electronic Rate and Form Filing (SERFF).
  - **National Insurance Producer Registry (NIPR)** – OFIR announced that beginning October 29, 2008 all resident and non-resident individual insurance producer licensee applications must be filed electronically via the National Insurance Producer Registry (NIPR) Gateway.
  - **National Mortgage Licensing System (NMLS)** – Michigan will begin registering loan officers as of January 1, 2009. As of October 22, 2008, Michigan loan officer registration applicants are able to file registration applications through the NMLS, a national database established to accept and retain license/registration applications and data for the mortgage industry.
- The agency anticipates bringing the brokers, lenders and servicers up on NMLA in the coming year. Federal legislation, the SAFE Act was passed July 2008 that will require states to comply with certain common standards by August 1, 2009. The changes include use of the NMLS and mandatory fingerprinting for FBI background investigations. It will also require use of

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a standard examination approved by NMLS and standard pre registration/licensure and continuing education credits with pre approval of all course work by NMLS.

- Legislation
  - **Michigan Home Foreclosure Prevention Act** – OFIR is currently working with the legislature to ensure the passing of the Michigan Home Foreclosure Prevention Act. The legislation would help Michigan homeowners with subprime mortgages avoid foreclosure by providing greater outreach to subprime borrowers facing foreclosure and encouraging lenders to find ways to help borrowers stay in their homes.

The legislation requires that borrowers of subprime loans receive at least 45 days written notice including certain information regarding their loan from their lender before foreclosure proceedings can be initiated and establishes a database within the State Court Administrative Office to track certain pre-foreclosure information. The legislation also establishes the "Michigan Home Foreclosure Prevention Program," under which the OFIR Commissioner is authorized to extend the filing date for a foreclosure for up to 30 days and/or require the lender and the borrower to participate in mediation if there is a potential to work out terms.

**Loan Officer Registration:** A 13-bill package was signed into law which is designed to help protect Michigan consumers from mortgage fraud by requiring the state's estimated 10,000 mortgage loan officers to register with OFIR. The package creates the state's first list of loan originators and mandates criminal background checks, education and testing for loan officers. It also establishes a mortgage industry advisory board that will make recommendations to OFIR on educational requirements, applications and tests for loan officer and requires loan officers to be registered in order to receive compensation for originating a loan.

- **Uniform Securities Act** – House Bill 5008 would repeal the existing Uniform Securities Act. The new act will give states regulatory and enforcement authority that avoids duplication of regulatory effort and blends with federal regulation and enforcement in a more efficient system for investor protection. Key components of the model act: 1) the registration of securities by means of three methods (notice, coordination, and qualification) to clarify and simplify the process for both regulators and industry; 2) the regulation of broker dealers, investment advisors, and their agents and representatives through registration in the states where they do business.

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- Securities
  - **“Free Lunch Seminar Monitor” Program** - OFIR and AARP Michigan have started a “Free Lunch Seminar Monitor” program, which gives individuals an opportunity to fight back against unscrupulous promoters by reporting questionable investment practices in their communities to state securities authorities for investigation. The Free Lunch Senior Monitor program will enlist the help of Michigan seniors, who will attend seminars and report back to OFIR whether investors are being pressured into purchasing inappropriate or unsuitable investments. Participants can bring a checklist with them to help assure that both the products promoted at free investment seminars, as well as the promoters, conform to securities laws and regulations. Information from the checklists will be forwarded to OFIR for evaluation.
  - **Investment Scams Training for Law Enforcement** - OFIR has developed a free training for Michigan law enforcement officials, “Securities 101: Recognizing Securities Products and Investment Crimes,” which will help them identify the most common types of securities fraud, how these schemes are structured and marketed, how to spot a questionable investment deal, and how OFIR’s Securities Section can assist them in their efforts.
  - **Investor Education in Your Community program** - OFIR’s Investor Education in Your Community program teaches investors how to improve their personal finances and how to avoid falling victim to investment fraud. Over 1,000 Michigan investors have attended these seminars at over 50 different libraries across the state.
- Consumer Assistance
  - **Consumer Recoveries** – From January 1, 2008 through the end of October the agency recovered over \$11,000,000 million on behalf of Michigan consumers. \$5,900,000 million of the recoveries involved insurance and securities products and the remaining \$5,100,000 involved mortgage and banking products. The recoveries were based on 6,211 complaints resolved by the agency.
  - Consumer assistance staff answered over 90,000 consumer calls from January 1, 2008 through the end of October
- Other
  - OFIR applauded a Michigan Court of Appeal's ruling that allows the agency to prohibit insurance companies from using consumers' credit scores as a factor in setting automobile and homeowners insurance rates. The Court of Appeals ruling vacates a 2005 decision by a Barry County Circuit Court judge that prevented OFIR from prohibiting the use of credit scoring. OFIR and the Insurance Institute of Michigan have filed motions with the State Supreme Court

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for leave to appeal the court's ruling. The agency is looking for a decision on the merits—that the rules are valid. The Court of Appeals ruling is effective pending a decision by the State Supreme Court.

- **Insurance Consumer Advocate** – The Governor announced Melvin “Butch” Hollowell as Insurance Consumer Advocate
  1. Report on recommendations 10-1-08
  2. Held press conference on Allstate Rate Challenge
  3. Held Statewide public hearings to gather input
  4. Taped cable shows “Insurance 101” with Butch Hollowell

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**SOAHR**

- Serving nearly all Michigan's departments and agencies and the general public, SOAHR's ALJs and support staff scheduled over 132,000 administrative hearings and closed over 141,000 cases.
- SOAHR coordinated the promulgation of 63 administrative rule sets for Michigan's departments and agencies and rescinded over 180 obsolete rules from the Michigan Administrative Code.

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**Tax Tribunal**

- The number of appeals filed in the Tax Tribunal continues to grow. In FY08, there were approximately 16,100 new appeals filed, compared to approximately 13,000 in FY07, and 9,000 in FY06.
- Of the 16,100 appeals filed this fiscal year, 4,500 were entire tribunal cases, which primarily involve property tax disputes in excess of \$100,000 in assessed or taxable value. This is the largest number of entire tribunal cases ever filed; the next highest number being 3,500 filed in FY97.
- Support staff docketed the entire tribunal cases in record time, despite the huge increase in the number of cases filed.

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**WORKFORCE AND URBAN:**

**Commission on Disability Concerns**

- Worked successfully with SOARS to establish a new policy on accommodations for deaf individuals at all Administrative Law Hearings.
- Conducted a successful five day Michigan Youth Leadership Forum at MSU.
- Selected and convened an interdepartmental committee of experts to draft the rules and regulations to implement the Sign Language Interpreter Act of 2007.
- Sustained staffing for the Supplier Diversity Program and recognized a significant increase in the dollar value of contracts awarded to businesses owned and operated by people with disabilities.



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**Energy Office**

- Wind energy education and outreach continues to be a priority of the Energy Office. To inform local and state decision makers, key stakeholders, and the general public a State Wind Outreach Team made over 100 presentations at conferences and meetings in 2008. Over 100 attended the Michigan Township Assoc. and Michigan Assoc. of Planners presentations and 450 attended the Ottawa County Wind Energy Symposium. Michigan State University Extension (MSUE) continued to provide education, technical assistance, and its anemometer loan program. MSUE has 9 towers and anemometers they loan for one year periods. The anemometer loan program is in its third annual cycle.
- Solar energy outreach included the Go Solar program implemented by the Great Lakes Renewable Energy Assoc. in Ann Arbor, Grand Rapids, Oakland County, and Kalamazoo. The Energy Office awarded three additional 10 kW photovoltaic demonstration grants bringing the total to 19 since 2002.
- The Home Seminars & Tours program run by seven local energy demonstration centers reached a new high of 8,758 attendees.
- Green Lodging Michigan continues to expand. To date, 36 hotels, motels, resorts, and bed & breakfasts have been certified as “green” and an additional 24 applicants have begun the process to be certified.

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**Land Bank Fast Track Authority**

- The Land Bank increased its property sales by 226%. In FY 2007 the Land Bank conveyed 124 parcels, whereas in FY 2008 it conveyed a total of 405 parcels. The majority of these properties have been returned to the tax rolls with the exception of a handful that were purchased by tax-exempt entities.
- Streamlined application processing and decreased the average processing time from 6.5 months to 1 month.
- Created the Garden for Growth program which allows taxpayers to lease tax-foreclosed vacant land for \$50 for a one-year term to create community gardens.
- Implemented the Side Lot Program that allows homeowners to purchase an adjacent vacant lot for only \$250. Side lots are properties that are too small to meeting building code requirements but would make a perfect garden or play area to add to a homeowner's existing yard.
- The State Land Bank authorized an additional 7 Land Banks to be created throughout the State including a City of Detroit Land Bank. The other six land banks are in Ogemaw, Berrien, Gladwin, Cass, Leelanau, and Arenac counties.

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**Bureau of Workforce Transformation**

**No Worker Left Behind (NWLB):**

(Since inception on August 1, 2007)

- In the first year of NWLB (August 1, 2007 through July 31, 2008) 37,725 participants enrolled in training through all funding sources under the NWLB umbrella. In total, as of October 31, 2008, 47,962 participants enrolled in training.
- 7,428 programs were added or updated since the start of NWLB. Activity on the CECR is significant as new and updated programs increase training options for No Worker Left Behind participants.
- NWLB awarded 8 community colleges \$340,000 for projects that demonstrated a better way to advance students faster, improve efficiency in their operations or make education more accessible through the use of the internet or alternative schedules.
- In May the USDOL awarded Michigan \$16 million in Trade Adjustment Assistance to support dislocated workers and in June another \$6.6 million through a National Emergency Grant. Increased funding is necessary to permanently eliminate waiting lists.
- For fiscal year 2009, the state legislature appropriated \$15 million for No Worker Left Behind.
- W.W. Grainger, Inc., agreed to partner with the State of Michigan to implement a public/private partnership to address the shortage of skilled workers in the technical trade professions. To support this partnership, W.W. Grainger donated \$100,000 to the State of Michigan.
- The State of Michigan, Chrysler LLC, and the United Automobile Workers (UAW) Union, have agreed to a first of its kind partnership to provide job training and placement assistance through No Worker Left Behind (NWLB) to Chrysler-UAW employees in Michigan who took the Fall 2008 early retirement or buyout offers through the special program offering, "Driving Your Future." Chrysler is funding up to \$10, 000 in NWLB training per worker participating in "Driving Your Future."

**Agricultural Services:**

- Implemented Project Respeto to enhance migrant and seasonal farm worker communities understanding of laws dealing with work rules.

**Veterans Services:**

- Assisted 5228 veterans in finding employment.

**State Monitor Advocate:**

- DLEG registered 14,344 Migrant Seasonal Farm Worker's to work in agriculture industry, which is the highest number of applicants in the past 8 years.

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#### **Workforce Investment Act (WIA) and Trade Adjustment Assistance (TAA):**

- Secured a \$2.0 M federal grant to operate the Mid-Michigan Partnership for Training in Healthcare (M-PaTH) in the greater Flint area. M-PaTH is a coordinated alliance of business, education, and economic and workforce development built upon the demonstrated success of the Flint Healthcare Employment Opportunities project.
- Received a National Emergency Grant from the U.S. Department of Labor with funding approved up to \$6.6 million to assist workers dislocated as a result of statewide layoffs in the automotive industry.
- Received an additional \$16 million in federal Trade Adjustment Assistance funds from the U.S. Department of Labor.

#### **Welfare Reform:**

- **JET-Plus** - During this calendar year, JET Plus has gone from an idea, through program planning and design, to inception and now actual implementation. JET Plus is an innovative delivery strategy designed to address the barriers of Temporary Assistance for Needy Families (TANF) recipients that prevent many from entering training that leads to career employment and workplace stability.
  - JET Plus is being offered to 5,000 public assistance recipients in selected sites for fiscal year 2009.
  - JET Plus utilizes funds to deliver two distinct models of comprehensive employment-related education, training, career preparation, community service, and subsidized employment to a portion of Michigan's Work Eligible Individual Family Independence Program recipients - Community Outreach and Campus Centered Model.

#### **Green Jobs Initiative:**

- Launched August 2008, a \$6 million investment to: increase the number of green industries and businesses in Michigan; develop green education and training programs, spurring the growth of Michigan's green economy; invest in worker education and training to prepare our workers for green jobs; and support urban renewal by creating green jobs and training opportunities for a diverse mix of people.

#### **Michigan Regional Skills Alliances (MiRSAs):**

- Added three new MiRSAs and expanded one, giving Michigan a total of 37 MiRSAs.
- Michigan Regional Skills Alliances have become a nationally recognized model to address workforce issues in a specific region and industry sector. This recognition has been invited to participate in the Accelerating the State Adoption of Sector Strategies project as a member of the Phase II Learning Network. Michigan's participation in the Sector Strategies

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Project compliments our State's approach in addressing employer and workforce needs through No Worker Left Behind.

#### **Office of Adult Learning (Education):**

- The Adult Learning Work Group was created in early 2008 with a charge from the Council for Labor & Economic Growth (CLEG) to examine and re-design the adult learning infrastructure in Michigan.
- Received \$100,000 planning grant from the Joyce Foundation to support this work with the potential of receiving a larger multi-million dollar implementation grant in 2009.
- The West Central Michigan Works! Agency (the Reed City branch office) was established as Michigan's first officially sanctioned GED Testing Center in September of 2008.

#### **Fidelity Bonding Program (FBP) of Michigan:**

- March 2009, was proclaimed as Fidelity Bonding Program (FBP) of Michigan month. The program was recognized for its contribution for reducing recidivism in the state of Michigan.

#### **Sharing How Access to Resources Empowers (SHARE) Network:**

- During 2008, approximately 12 access points were successfully established, bringing the total number of Michigan's SHARE Network access points to forty four.

#### **Rapid Response:**

- ☐ Successfully obtained a \$6.6 million USDOL National Emergency Grant for dislocated workers affected by the restructuring of the auto industry.
- ☐ Doubled the number of joint workforce transition committees this year from last year. These committees are composed of management and worker representatives that work together to help dislocated workers successfully transition to new employment or training.
- ☐ Currently is leading an unprecedented level of coordinated response between state and local government, educational institutions, business, non-profit institutions and our traditional workforce development entities to deal with the present and anticipated auto industry worker dislocations.

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**Council for Labor & Economic Growth:**

- Researched and recommended that Michigan create a Michigan National Career Readiness Certificate based on ACT WorkKeys and adopt standards for Employability Skills Training to be available through the Michigan Works! system. DLEG staff is in the process of developing policy for implementation of the MI-NCRC and Employability Skills Training, to be launched in early 2009.
- Convened a workgroup to study improvements to the state's adult learning system. Recommendations made in December 2008 call for a restructuring of the system to better align multiple partners and funding streams.

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**Bureau of Labor Market Information and Strategic Initiatives:**

- Published Michigan's Economic and Workforce Indicators, a biannual report addressing key labor market categories designed to deliver time-series analysis and comparative data with competitive regions.
- Created a web-based career planning and assessment tool, Michigan Career Automated Researcher **MI – CAR**, for the LMIS website. The tool has a variety of ways to assist individuals explore career information and match their interests and work values to occupations

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**Bureau of Employment Relations:**

- Collaborated with the MSU College of Law to provide a training and refresher program for the Michigan Employment Relations Commission's (MERC) Panel of Act 312 Arbitrators and Fact Finders. Approximately 100 people participated in 6 workshops, gaining expert information on such timely, relevant and fast-changing topics as employee health care coverage, retirement benefits, and recent changes in MERC case law.
- Completed revisions, posted on-line, and prepared for distribution of a more than 25-page informational booklet - MERC's 2007 version of the "Guide to Public Sector Labor Relations Law in Michigan: Law and Procedure before the Michigan Employment Relations Commission."
- Revised MERC's Arbitrator Selection Process to reflect current legal trends that give deference to arbitrability of labor disputes.



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**Michigan Rehabilitation Services**

- Served a total of 48,260 customers
- 7,539 customer successfully closed in employment
- Increased customer satisfaction to 83.8%
- Completed a Memo of Agreement with the Veteran's Administration
- Implemented JET and MPRI statewide
- Provided consultation to 3,700 JET referrals and served over 900 of them
- 339 small business customers were served with 71 closed successfully
- Highest number of MCTI graduates ever – 328
- Placement rate for MCTI graduates was 82% with 76% trade related.
- MRS was the recipient of the Mutual of America Community Partnership Award for an innovative Soft Skills Curriculum Training Program

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**Michigan Commission for the Blind**

- **Serving Michigan Citizens Who Are Blind or Visually Impaired:** The Michigan Commission for the Blind served approximately 3500 individuals in 2008 who were blind or visually impaired to assist them in becoming employed and independent. A total of 227 MCB clients were placed in competitive jobs, living independently and becoming contributing taxpaying consumers. Nearly 1,400 older individuals facing site loss received independent living services by the Commission so they may remain in their homes and communities. Over 400 blind youth in the K-12 system received low vision evaluations and aids.
- **Services for Blind Veterans:** In collaboration with Michigan Rehabilitation Services and the Michigan Commission on Disability Concerns, the Michigan Commission for the Blind entered into a formal agreement with the federal Department of Veterans Affairs Vocational Rehabilitation and Employment Services (VAVRE) to provide vocational rehabilitation services to veterans who lost their sight in the line of duty.
- **Training for Independence and Employment:** The Michigan Commission for the Blind held four week-long Mini Adjustment Seminars—one each in Traverse City, Saginaw, Farmington Hills, and Battle Creek—as an introduction to skills of blindness training for 130 MCB clients. MCB offered 10 summer programs for 88 blind and visually impaired youth. Further, 11 blind youth participated in MCB's summer jobs program, working at several food service facilities operated by the commission's Business Enterprise Program.
- **Exemplary Performance and Leadership:** The Michigan Commission for the Blind celebrated its 30th year of service in 2008, and one of the highlights of the year was the receipt of the prestigious Navigator Award on March 26 in recognition of the commission's strengths in the areas of leadership; strategic planning; consumer and market focus; measurement, analysis, and knowledge management; human resource focus; process management; and results. The Navigator award is the second-highest of the awards presented by the Michigan Quality Council, based on the Malcolm Baldrige Performance Excellence criteria. As for individual honors, MCB Director Patrick Cannon has been elected by his peers as President of the National Council of State Agencies for the Blind (NCSAB), effective January 2009, and two MCB staff members received prestigious awards for the outstanding service they provide to clients:
  - MCB Rehabilitation Teacher Roberta McCall received the Elizabeth Lennon Meritorious Achievement Award (an international award), presented by the Association for Education and Rehabilitation of the Blind and Visually Impaired.
  - MCB Rehabilitation Counselor Michelle Visscher received the Margaret E. Fairbairn Award presented by the National Rehabilitation Association to honor her exemplary work in job placement.

**2008 Accomplishments**  
**Department of Labor & Economic Growth**

**Labor:**

**Commission on Spanish-Speaking Affairs**

- 2nd Annual Hispanic Education Summit - The purpose of the Summit is to meet with educators and decision makers within the state's K-16 education system and to dialogue on the educational attainment challenges and disparities facing Spanish-speaking students throughout Michigan. Summit participants learn about best practices and develop next steps for future action. The keynote speaker was Mr. Jaime Escalante (teacher, professor and author). His life was the basis of the movie, "Stand and Deliver."
- Three Hispanic Business Expos – Educates and informs Michigan's Hispanic businesses of the programs available through the state of Michigan. The expos are held in collaboration with:
  - Detroit - Hispanic Business Alliance
  - Grand Rapids - Western Michigan Hispanic Chamber of Commerce
  - Adrian – Hispanics of Lenawee Alliance
- 3rd Annual Hispanic Entrepreneur of the Year Award – Is presented at the Hispanic Business Expo in recognition of Hispanic accomplishments
- Regional Legislative Summit - Improves communication with legislators regarding statewide Hispanic issues affecting our community through the legislative process.
- Michigan Hispanic Caucus - Educates and celebrates the heritage and accomplishments of Hispanics in Michigan. Recognition awards were presented at the Annual Hispanic Heritage Month Recognition Banquet for:
  - Educator of the Year
  - Advocate of the Year
  - Lifetime Achievement
  - Business Entrepreneur of the Year
  - Four Student Scholarships were awarded to high school seniors.
- 2007/2008 Hispanic Data Report – Reports on the status of Michigan Hispanics in the areas of: population, education, economic development, employment, housing, health, child care, civic engagement, legal and immigration.
- Commissioners Legislative Training held at annual COSSA retreat by Tom Martin, Denise Flannery (Governor's Office) and Stephanie Johnson-Wuttke (Capital Services).
- COSSA 2009-2012 Strategic Plan with priorities areas of education, economic development, and legislative and civic engagement.

**2008 Accomplishments**  
**Department of Labor & Economic Growth**

**Michigan Employment Security Board of Review**

- Amy Rosenberg was named chair of the Board of Review in August 2008, succeeding Stephen Geskey who became director of the Unemployment Insurance Agency
- The Board made headway in reducing its pending caseload. The pending overall caseload fell by approximately 6% in FY 2008, with 1,536 cases pending at the beginning of the fiscal year, and 1,443 cases pending by the fiscal year's end. The Board received 7,039 new cases and disposed of 7,132 cases during the fiscal year. Disposed cases rose by 7.4% over the FY 2007 level, when the Board disposed of 6,641 cases.
- The Board's ability to reduce the pending caseload is particularly noteworthy, given that the Board was operating short-staffed for some time and was training a significant number of new staff in 2008. The Board of Review is a small agency with only 22 people (board members, attorneys, secretaries, file prep support staff and an executive director). Of those 22 people, four joined the Board in 2008, and one joined in the fall of 2007. Thus, nearly a quarter of the people at the Board were new in the past year. Some of the new staff filled positions that had been vacant for months or even years. Despite the vacancies and the learning curve for new staff, the Board of Review has kept its productivity at a consistent level, disposing of, on average, nearly 600 cases per month. Now, with a full staff, the Board is on track for even greater success in 2009.

**2008 Accomplishments**  
**Department of Labor & Economic Growth**

**Michigan Occupational Safety & Health Administration**

- Sloan Award Recognition - August 14, 2008 - MIOSHA was named one of 12 Michigan winners of the 2008 Alfred P. Sloan Award for Business Excellence in Workplace Flexibility, distinguishing the agency as a leading practitioner of workplace flexibility.
- MIOSHA Strategic Plan Success – The results from the FY 2004 – 2008 MIOSHA Strategic Plan were outstanding! Some results include: improved safety performance in high-hazard industries; reduced injury and illness rates; and improved response times to address serious hazards and requests for help.
- MIOSHA Training Institute (MTI) - MIOSHA launched the new Level One - General Safety and Health certification program. In CY 2008, more than 120 MTI courses were conducted throughout Michigan at various M-TEC facilities, community colleges, and other safety organizations. To date, more than 2,200 students have taken MTI courses.
- “Connecting MIOSHA to Industry” - MIOSHA is continuing this very successful, multi-year initiative that is merging traditional program responsibilities with proactive outreach measures. Providing excellent customer service is the main focus of the Connecting Initiative.

**2008 Accomplishments**  
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**Unemployment Insurance Agency**

- **Emergency Unemployment Compensation (EUC)** – UIA mailed 212,000 initial EUC applications and continues to mail EUC applications to those who exhaust their regular UI benefits each week, around 13,000 per month. UIA has received 123,893 EUC applications and has granted EUC to 122,653. To date, UIA has disbursed \$310,882,204 in EUC benefits. The 63,000 unemployed Michigan workers, who have exhausted their federally-funded unemployment benefits from this summer, should receive letters with instructions for obtaining the newly approved federal benefit extension within the next two to three weeks.
- **Debit Card/Direct Deposit** – In 2007, UIA started the Debit Card/EFT process and successfully implemented the systems into production in June 2008. The systems better serve unemployed workers who are receiving unemployment benefits. The second phase was implemented in November 2008 to only offer debit cards and electronic fund transfers (EFT) as the methods by which unemployed workers filing new claims receive their benefits. These methods will save UIA postage costs and will greatly reduce the issue of lost and stolen benefit checks.
- **Misclassification of Employees** – UIA is partnering with the Workers' Compensation Agency, Wage & Hour Division and Department of Treasury investigating worker misclassification. UIA also receives data from the IRS to investigate inappropriate use of 1099s.
- **Employer seminars** – Response to UIA's employer seminars in seven locations around the state this fall has been overwhelming and waiting lists have developed to attend future sessions. Employers appreciate the opportunity to meet with agency personnel and provide feedback about issues of importance to them.
- **Expanded Employer Web Account Management (EWAM)** – UIA added new functions to EWAM, the on-line service to employers. EWAM gives employers 24/7 online access to their UI tax accounts and various UI tax functions. The newly added functions are: electronic file-submit process for tax Forms UIA 1020 and UIA 1020R; a discontinuance of business form; employer protests of tax determinations; an amended tax report process; and a bulk payment-submit process to work with the file-submit process. In addition, UIA staff now has access through the Internet to review and use the same information that employers can access. The electronic file submit process was implemented November 2007. The discontinuance of business, employer protests of tax determinations, and amended tax report process were implemented September 2008.
- **Questionable Employment Tax Practice (QETP) initiative** – Michigan was the first state to sign the memorandum of understanding (MOU) with the IRS. The MOU is part of the joint federal-state QETP initiative, which provides for the sharing of tax and audit information between UIA and IRS. The agreement will help improve compliance with state and federal regulations governing employment and unemployment tax and will reduce

## 2008 Accomplishments Department of Labor & Economic Growth

fraudulent filing and the misclassification of workers as independent contractors. UIA participated in a face-to-face meeting with federal and state members to further discuss the sharing of information between state and federal authorities. The IRS has centralized the referral process to one location. Quarterly meetings continue with QETP members.

- **State Unemployment Tax Act (SUTA) Dumping** – UIA's SUTA Unit helps to protect the integrity of Michigan's UI Trust Fund. There were 258 referrals through September 2008. There was \$1,170,633.92 in payments received and \$23,163,581.32 assessed tax loss for the year through September 2008. The agency continues its education outreach to the employer community on the need to report all business transfers.
- **System Integration Project** - The initial phase of the System Architectural Assessment was completed in April 2008. The current technical environment is fully documented. A Technical Options document, with cost analysis, for moving forward with the development of a fully integrated UIA system was also delivered as part of this assessment. Identification of possible solutions was completed and will be used to guide efforts in 2009. Current system improvements to prepare for the new system include automating deductions from UI benefits for Friend of the Court payments, reducing the need for staff involvement and making for speedier payments to custodial parents; and re-designing the multi-claimant determination system to allow staff to more quickly respond to unemployed workers' issues.
- **Automated Work Distribution System (AWDS) Redesign and Upgrade** The redesign significantly simplifies the way work is electronically distributed to staff with better monitoring and reporting. Staff electronically extracts work from these queues for completion. These changes have allowed UIA to reduce paperwork and speed service to unemployed workers. The redesigned and upgraded AWDS system was implemented June 2008.
- **Tax Workload Management** – In June 2008, the changes to the Tax Office were successfully implemented with staff receiving training and the employer community receiving mailings with Tax Office overview, new telephone numbers and email addresses.
- **CAMS (Case Audit Management System) Phase II** –CAMS is the development and implementation of an automated system with a data base that will allow the sharing of information between various agency cross match programs and integrity investigations, in order to identify fraud patterns and major integrity issues. This tracking system will also be designed to provide comprehensive integrity reports. Phase II, which enhances the Benefit Fraud Investigation's current individual case tracking system, was completed and fully operational on August 15, 2008.
- **Automated Department of Motor Vehicles (DMV) Crossmatch Program** – As part of an identity theft prevention program, an automated process was developed and implemented to cross match driver license data supplied by unemployed workers when filing for unemployment

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benefits with the Secretary of State database. The program was implemented in the first quarter of 2008, and the results were added to the CAMS system.

- **Print-In Warehouse** – The Print-In Warehouse project was started and finished during fiscal year 2008. It eliminates most of the manual effort of mailing fill-able forms from the RIC Centers. This project takes the agency's major fill-able forms and sends them to the warehouse where automated machines mail them and send a copy to FileNet. The process has saved printing and manual effort in the RIC Centers and allowed the agency to use its automated mail machines to handle most of its fill-able forms. Also, by printing centrally, the documents can be sent to DMB for presort mailing discounts. Anticipated savings is over \$100,000 per year.
- **Work Opportunity Tax Credit (WOTC) Program** – UIA implemented changes to the federal WOTC program, which was renewed through August 2011. WOTC gives employers federal tax credits for hiring certain categories of workers who typically have difficulties in finding employment. The Small Business and Work Opportunity Tax Act of 2007 reauthorized and expanded the program to cover more workers.
- **NICE (Neptune Intelligent Computer Engineering) Revision** – The NICE software is a quality system that records telephone calls and associated staff system interactions. Managers are able to review calls, using the quality standards document and then coach staff on ways to improve quality and customer service. UIA completed a revision of the quality standards document that allows for better coaching and feedback to staff.
- **Tax Collection Pilot** – Methodologies and processes tested in the pilot have become standard operating procedures for the Collection Unit as of June 2008.
- **Diversity Training project** – UIA's Center for Learning and Development team created two Diversity Training modules. The first, "Diversity – The Strength of Many; The Power of One," was four hours long with a target audience of all UIA employees. Classes were scheduled from October 2007 through March 2008. The module incorporated dialogue, communications exercises, methods to identify issues as well as areas for growth and development. The second module, "Diversity Management," was eight hours with a target audience of all UIA supervisors and managers. Classes were held in August 2008. This module incorporated dialogue, communication exercises, and generations in the workplace, and peer to peer mentoring.



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**Wage & Hour Division:**

- The Division collected nearly \$3 million for workers from claims filed (actual total: \$2,628,451).
- Claims filed increased by 11% to a total 7,784 (largest increase due to Minimum Wage & Overtime Act).
- Investigations completed by Division staff increased by 7%, to total 7,776
- The number of completed Youth Employment Standards Act (YESA) investigations totaled 1,082, including 878 visits to Michigan businesses and K-12 schools.
- The Division upgraded the prevailing wage Violators List to include claims paid and unpaid by employer(s).
- Over 100 visits were made to K-12 school districts, community college and university boards to describe their rights and responsibilities under the state's prevailing wage law.
- In July 2008, the state's minimum wage increased to \$7.40 an hour. The raise was the last of three increases approved by the state legislature and signed into law by Governor Jennifer Granholm in 2006. The Division enforces the state's minimum wage law.

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**Workers' Compensation Programs**

*(Workers' Compensation Agency, Workers' Compensation Board of Magistrates and Workers' Compensation Appellate Commission)*

- Workers' Compensation costs in Michigan continue to be low relative to the rest of the nation.
  - In its bi-annual nation-wide workers' compensation insurance premium study, the Oregon Department of Consumer and Business Services reported Michigan was in the bottom third of all states for workers' compensation insurance premiums.
  - Michigan was significantly lower in cost than Alabama and Mississippi often mentioned as low cost labor states.
- The Board of Magistrates and the Workers' Compensation Appellate Commission have dealt with significant changes in law and procedure resulting from a series of decisions by the Michigan Supreme Court. These changes have necessitated the handling of previously decided cases, including taking additional testimony and writing additional opinions to address the changes in case analysis as specified by the Court's decisions.
- Likewise, the decisions have impacted the Agency requiring creation of new docket controls and, in conjunction with the State Bar's Workers' Compensation Section, the creation of new forms to facilitate court mandated disclosure of information by both sides of the cases.
- As provided by statute and Executive Order, magistrates, commissioners and mediators attended "CompCollege 08," where detailed presentations and discussions included evidence rules and vocational assessment issues.
- In its ongoing efforts to cut operational costs and improve customer service, the Agency continues to work on Electronic Data Interchange.
  - The agency now has three insurance groups filing various mandated forms electronically, including the Accident Fund – the state's largest writer of workers' compensation policies (30%).
  - Ten other insurance groups, representing another 25% of the filings received by the Agency, are in the final stages of initiating the electronic filing process by September 2009.
- In order to update security, office efficiency, service to our customers and in support of the Governor's Cities of Promise initiative, the agency's Pontiac hearings office was relocated to improved space within the Oakland Towne Center in downtown Pontiac. The project produced substantial cost savings, as the building landlord provided the renovations and moving expenses as part of the new occupancy agreement.

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**Interagency Task Force on Employment Misclassification**

- Governor Jennifer Granholm's Executive Order 2008-1 issued in February 2008 created the Task Force composed of representatives from DLEG's Unemployment Insurance Agency, Wage & Hour Division and Workers' Compensation Agency as well as the Departments of Management & Budget and Treasury. The DLEG director chairs the Task Force.
- Employee misclassification typically involves employers misclassifying their workers as "independent contractor," instead of as "employees." As a result employers avoid some of their legal obligations, such as UI taxes, workers' compensation premiums, income taxes, and FICA. It can also give them an unfair advantage over competing businesses. Misclassified workers may be ineligible for UI and workers' comp, while also losing other labor law protections and employer-based benefits. Taxpayers are hurt as the social safety net is harmed by underpayment of various taxes.
- The Task Force held a number of public meetings in Lansing as well as five public hearings at sites around the state. At the hearings the Task Force gathered testimony from workers, employers and others who spoke about the issue and how employee misclassification impacts on them.
- The Task Force established three working committees – legal, research and education/communications. The legal committee is reviewing various Michigan laws defining "employees" and recommending possible changes to coordinate the state's law and rules. It is also exploring the legal issues surrounding the sharing of confidential information between state agencies. The research committee is looking at the experiences of misclassification in other states and their responses. The education/communications team is attempting to educate the public on the issue and maintain the Task Force website.
- In July 2008, the Task Force issued its first annual report to the Governor.

**2008 Accomplishments**  
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**Michigan State Housing Development Authority (MSHDA)**

The Authority has undergone numerous changes during the past year but the mission to serve the low to moderate income population with homeownership opportunities and safe, secure affordable rental housing, to continue the Campaign to End Homelessness and to create vibrant cities and neighborhoods throughout Michigan, has emerged unscathed and crystal clear during the transition period.

The Authority has strengthened its financial rating and streamlined its functionality by appointing a permanent Executive Director Keith Molin, appointing permanent directors in the Legal Affairs, Administration/Office Services, and Finance divisions, and created the Specialized Technical Assistance & Revitalization Strategy (STARS) division that houses the Michigan Main Street center. The Michigan Main Street (MMS) center provides technical assistance services, not grants, to communities who are targeting the revitalization and preservation of their traditional commercial districts.

Executive Director Molin is focusing on the MSHDA story that encompasses a “New MSHDA,” and is changing the image of MSHDA from “just a financial institution” to a financial institution with a social contract in public policy.

The four pillars upon which MSHDA has continued to build a solid foundation during the past year are Homeownership, Affordable Housing, Ending Homelessness, and Vibrant Cities and Neighborhoods. Those four pillars are indicated below with accomplishments shown as bullet points and brief descriptive paragraphs under each. Some of the accomplishments support more than one of the themes and also are listed below.

**Homeownership**

The Housing and Recovery Act passed by Congress is the most comprehensive housing legislation enacted in many years. MSHDA is involved in tying this legislation to the governor’s “Save the Dream” campaign Parts I and II. In an effort to expand coverage and broaden our outreach to targeted audiences, a comprehensive marketing campaign including paid advertising, free media and social media strategies are planned for 2009.

**Refinance Programs** – MSHDA, through 2008 legislation, is now able to refinance inferior mortgages for the first time in its history and replace them with 30-year, fixed rate mortgages that are safe and secure. The MSHDA Assist Refinance and the Rescue Refinance programs are offered to those who qualify. Homeownership counseling and foreclosure prevention strategies continue as the Authority’s focus.

## **2008 Accomplishments**

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**Single Family Mortgage Loan Programs** – Allows the Authority to finance low and moderate-income mortgages for people meeting income and purchase price limits. The loans are fixed rate, 30-year mortgages. In 2008, this program financed 2,640 single-family units, representing a total investment of \$264,181,644. The average purchaser of an existing home was 31 years of age, with a household size of one and an average income of approximately \$42,282. The average loan amount was \$100,068. The 2008 goal was 2,500 units and the Authority exceeded that goal by 140 loans, likely due to progressive enhancements and streamlining of process.

**Homeownership Counseling Network** – In 2008 MSHDA established the most extensive counseling network in its history with more than 300 homeownership counselors statewide. Built around the theme “**Before you miss a payment – make the call,**” the Save the Dream campaign focuses on these counselors to help people who are facing foreclosure. The counselors assist in guiding homeowners through the steps necessary to prevent foreclosure, stay in their homes, communicate with their lenders regarding loan modifications, and other prevention issues. A toll free Save the Dream hot line also has been established, which receives thousands of calls a week. Operators direct callers to the counselor trained in foreclosure issues nearest them.

MSHDA applied for and received a \$3 million grant from NeighborWorks America to build mortgage foreclosure and default mitigation counseling capacity of counseling organizations. MSHDA was notified December 3, 2008.

**Neighborhood Stabilization Program** – As part of the Economic Recovery Act passed by Congress in July, \$3.92 billion was appropriated to address foreclosed and abandoned housing that is detrimental to the vitality of neighborhoods. HUD allocated \$263+ million to Michigan of which \$98.6 million came directly to MSHDA for these Title III purposes. An action plan for these funds was posted publicly in November and 15 days were allotted for response and comment. The plan was submitted to HUD on November 26. In addition to the plan addressing foreclosure prevention, it also focuses on blight elimination, rehabilitation and neighborhood and workforce development.

**Property Improvement Program** – This program helps preserve older, existing housing by offering loans to homeowners that meet income limits. In 2008, this program made 131 loans, totaling \$1,561,160, and 50.4 percent of the loans were to borrowers over 45 years of age. Approximately 77 percent of the loans went to improve homes that were 40 years of age or older.

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#### **Affordable Housing**

**Multifamily Loan Programs** – Altogether in 2008, the Multifamily lending program financed \$57,375,959 in loans, representing 14 developments containing a total of 1,170 housing units. As noted below, another \$82,567,595 in loans to 10 additional developments representing 1,368 more units were committed but not yet closed.

**Low Income Housing Tax Credits (LIHTC)** – Over 2,100 units of affordable rental housing will be built or renovated for low to moderate-income Michigan families, the elderly, people with disabilities and those at risk of homelessness as a result of \$20.6 million in federal Low Income Housing Tax Credits allocated to 38 developers in the fall LIHTC round. The tax credits will help bolster the state's economy by creating approximately 3,200 jobs in construction and related trades.

**Qualified Allocation Plan (QAP)** – The legendary QAP issue was managed well and in the allotted time frame to make the LIHTC allocations in a timely manner while reaffirming the policy commitments in support of Gov. Granholm's urban agenda to develop vibrant communities and neighborhoods across the state. Those commitments include providing affordable housing in Michigan and support for those with special needs and homeless populations.

**Downtown Housing Study** – The Authority contracted a firm to conduct the Michigan Downtown Housing Study to better understand markets for multifamily housing in Michigan's downtown central business districts. A summary of the study was developed into a brochure and has been distributed statewide to nonprofits and local government officials in an effort to assist them in learning what fuels city center vitality.

**Preservation** – Preservation of affordable housing is and continues to be a top Authority priority, emphasizing rehabilitation as opposed to new construction. In 2008 MSHDA's Office of Asset Management hosted one of the most successful summits ever conducted in Michigan. All our efforts, along with HUD and USDA-Rural Development, are focused on providing creative and accessible tools to preserve affordable rental housing in Michigan, particularly in our urban centers and rural areas; to make our communities vibrant and to sustain and enhance affordable rental housing for seniors and supportive housing tenants. In 2008, 178 developments were preserved for affordable housing.

**Housing Choice Voucher Program (HCV)** – The Housing Choice Voucher Program uses the private rental market to assist Michigan's extremely low income families to afford decent, safe, and sanitary housing. Residents live in single family or multifamily rental dwellings, paying between 30 percent and 40 percent of their gross income for rent. In 2008, an average of 23,031 families participated in this program; the average age for the head of household was 46

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years old, and the average adjusted household income was \$10,376. The HCV program also has components for **Family Self-Sufficiency (FSS)** and for **Homeownership called Key to Own**. Both these programs promote and provide education and opportunities for families to become economically self-sufficient and end the cycle of assistance to recycle the voucher to additional families in need.

**Contractors Assistance Program (CAP)** – CAP was introduced at MSHDA in 1992 to provide business training for small, minority, or women-owned businesses. Semi-annual classes are held in Detroit, Grand Rapids and Flint, however, in 2008 Cities of Promise cities – Pontiac and Saginaw – also held successful classes. A total of nearly 200 Michigan contractors gained skills in bidding and estimating, bookkeeping and finance, bonding and insurance, wage and labor issues, permits, business planning and marketing and lead-based paint.

**Housing Locator** – MSHDA's partnership with RentLinx in 2006 created a Web site that allows easy access to a list of affordable rental housing within the state of Michigan. Starting with just over 1,200 listings, that list has expanded to over 17,000 in 2008. And viewings just surpassed the 2 million mark in November. The Michigan Housing Locator is free to both property managers and landlords as well as to residents seeking affordable rental housing.

**Michigan Preservation Information Exchange (MI PIE)** – MSHDA's Office of Asset Management introduced this new initiative – Michigan's first information exchange designed to help developers find development opportunities throughout the state.

**Building Standards/Green Building** – This year MSHDA took the lead in addressing environmental concerns by partnering with design professionals to create affordable single family housing blueprints that not only meet visit ability and adaptability criteria but meet and/or exceed other MSHDA policies relating to building standards. This includes Green Building. Green buildings use resources like energy, water, materials, and land much more efficiently than buildings that are simply built to code. They create healthier working, learning, and living environments, and are cost-effective for developers by reducing construction costs and creating buildings that are in high demand. These buildings also save owners money by reducing operations and maintenance costs, lowering utility bills and increasing productivity.

### **Ending Homelessness**

**Housing Homeless Development Programs** – Provided \$6,487,000 in rental development grants to provide units of housing for the homeless. This program represents the Authority's investments in new construction or acquisition/rehabilitation of projects for the homeless. Funding comes from

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MSHDA reserves and a mandatory 25% local match. Loans are structured as a zero percent, non-amortizing repayable loan, although for every 10 years of successful operation, 25 percent of the loan is forgiven.

**Homeless Grants** – \$5,000,000 was allocated to match and supplement HUD's Emergency Shelter Grant (ESG) Program. The ESG program offers financial assistance to public and nonprofit organizations that are responding to the needs of homeless populations through a Continuum of Care process. ESG funds can be used for shelter operation, essential services, prevention, or Continuum of Care coordination.

**Tenant Based Rental Assistance Program** – MSHDA uses a combination of MSHDA and federal HOME dollars to administer the Tenant Based Rental Assistance Program (TBRA). MSHDA awards funds to nonprofit agencies throughout the state to administer the program. TBRA provides a two-year rental assistance program to homeless families with children, chronically homeless, homeless youth, and survivors of domestic violence.

### **Vibrant Cities & Neighborhoods**

**Specialized Technical Assistance & Revitalization Strategy (STARS)** – In 2008 MSHDA created a new division called the STARS team – Specialized Technical Assistance & Revitalization Strategy team. It houses the Michigan Main Street Center and Michigan Blue Prints for Downtowns. The work of the STARS Team is heavily tied in with the governor's Vibrant Cities initiative and strong urban agenda. As the name implies, technical assistance is the focus of this division as opposed to monetary grants.

### **Cool Cities**

**\$ Creative Cities Summit 2.0 (CCS2)** – CCS2 presented a dynamic and engaging conversation about how communities around the world are integrating innovation, social entrepreneurship, sustainability, arts & culture and business to create vibrant economies. National and international thought leaders and change agents engaged more than 700 attendees from all over the world to think outside the box and reimagine the world as industrial economies make fundamental and profound shifts.

**\$ Cool Cities Community Surveys** – In 2008 MSHDA contracted for a Cool Cities Community Survey to provide data that allows a better understanding of how the public views the initiative, the local projects, and how these relate to development in their downtowns or core neighborhoods. Overall, the findings showed that the Cool Cities ideas and goals are shared by the general public. Improvements in the areas discussed have been noted by community residents; those improvements



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are, on the whole, closely aligned with the factors people see as important when deciding whether to visit their downtown or other destination neighborhoods.

**\$ College Intern Initiative** – In 2008 MSHDA's Cool Cities introduced an initiative where college students have a chance to explore the unique opportunities of Michigan's coolest cities. MSHDA integrated an internship and fellowship program into its Cool Cities initiative, in partnership with Michigan State University, University of Michigan, Wayne State University and the Michigan Suburbs Alliance.

**\$ Port City Collaborative** – MSHDA participated in this collaborative whose mission is to enhance opportunities for commerce and recreation in Michigan's port cities. A summit was held in Detroit in October, focusing on formalizing the collaborative.

### **Cities of Promise**

**\$ Safe Routes to Schools (SR2S) initiative** – the Partnership Teams acquired assistance from AmeriCorps staff in each of the cities to help schools move through the necessary steps to create effective action plans. Safe Routes to School is an international movement with the goal of identifying the benefits and obstacles of walking and biking to school. Then students, parents, and community stakeholders work together to develop an action plan to overcome these barriers.

**\$ The Michigan Youth Leadership Academy (MYLA)** – a one-week residential training program, hosted by the Michigan State Police Training Academy for youth between the ages of 14 and 16 is another unique program offered through the Cities of Promise initiative. The mission of the MYLA is to encourage leadership by promoting responsibility, respect, and trust through partnership building with local and state law enforcement agencies. This program is a combined effort between the Michigan State Police and local law enforcement authorities in training and mentoring the young persons chosen to attend. The MYLA is supported by donations from local entities, allowing the students to attend at no cost to themselves or their families.

**\$ Blight elimination** is a cornerstone of the Cities of Promise initiative. It is the critical first step in revitalization planning/implementation, safety and security campaigns, redevelopment planning, and quality of life and sense of place programming.

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**SUMMARY TABLE:**  
**CITIES OF PROMISE**  
**BLIGHT ELIMINATION PROGRAM 2008**

<b><u>CITY</u></b>	<b><u># Properties Requested</u></b>	<b><u>Amt Requested from MSHDA</u></b>
<b>Benton Harbor</b>	15	\$45,000
<b>Detroit</b>	729	\$2,000,000
<b>Flint</b>	311	\$933,000
<b>Hamtramck</b>	13	\$52,000
<b>Highland Park</b>	100	\$400,000
<b>Muskegon Heights</b>	20	\$60,000
<b>Pontiac</b>	100	\$400,000
<b>Saginaw</b>	223	\$892,000
<b>TOTALS</b>	<b>1,511</b>	<b>\$4,782,000</b>

**Community Development**

**\$ Grants to Local Units of Government and Nonprofit Housing Service Providers** – 483 grants were made for a total of \$57 million.

**\$ Neighborhood Preservation Program (NPP)** - The goals of the program are to positively impact the image, physical conditions, and market and neighborhood management of the target neighborhoods. Since 1998, approximately \$26,677,330 in grants/loans has been made in 33 communities across the state. Twenty-five grants have been made to the City of Detroit or other communities in Wayne County; 49 to medium to large cities; 15 to UP communities, and the balance to small towns. Each NPP produces housing units either through new construction, rehabilitation of space for rental units (usually above businesses downtown), or purchase/rehab for resale. In addition, each project includes homeowner rehabilitation, beautification through banners, landscaping and/or neighborhood signs, and marketing activities to improve the image of the neighborhood.

**Centers for Regional Excellence** – Recently nine community partnerships were selected to receive a Centers of Regional Excellence (CRE) grant from MSHDA's Office of Community Development of up to \$25,000 over two years to fund projects that are designed to create jobs, expand tourism and strengthen local communities. The CRE program, created by the governor in 2006, encourages local governments to work collaboratively to make their communities better

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### **Department of Labor & Economic Growth**

places to live, work and play while streamlining government and saving taxpayer dollars.

#### **Overall Activities/Programs/Data that Contribute to the Four Pillars**

**House Michigan! Cable Program** – Six cable shows produced during 2008 aired on more than 80 cable stations statewide, hosted by Executive Director Keith Molin discussing the “New MSHDA” and highlighting MSHDA’s four themes. The MSHDA story unfolded throughout the series with MSHDA staff people participating as well as outside partners and organizations that all vitally impact the future of Michigan’s economy.

**Michigan Housing and Community Development Fund (MHCDF)** – MHCDF is a program that helps Michigan cities and communities to compete for and attract and retain the brightest and best workers in the country. The program concentrates efforts in downtowns, neighborhoods, affordable housing and supportive housing. Grants totaling \$2,168,400 were awarded to 18 nonprofit organizations from the newly funded Michigan Housing and Community Development Fund (MHCDF). The grants support Gov. Granholm’s Vibrant Cities Initiative and provide affordable housing opportunities while helping transform the Michigan economy by improving the quality of life in cities, towns and villages across the state.

**Job Creation** – Authority-financed housing created an estimated 2,361 jobs, paid approximately \$157 million in wages, and generated more than \$55 million in taxes collected.

#### **MSHDA Summits and Conference**

The Authority spearheaded a record six summits and conferences throughout 2008, including the 10<sup>th</sup> annual **Michigan Conference on Affordable Housing** in Lansing and the momentous **Creative Cities Summit 2.0** in Detroit.

The other four – the **Homeless, Downtown, Preservation and Asset Management Summits** – were equally successful, emphasizing again the four MSHDA themes and focusing on the urban agenda, the transitioning of Michigan’s economy, and vibrancy in our cities and neighborhoods, all while addressing “sense of place” issues.